

# Millennium Challenge Corporation

Reducing Poverty Through Growth



**COUNTRY : VANUATU**

**STATUS : IMPLEMENTATION, YEAR 1**

**LAST UPDATE : AUGUST 2006**

## GENERAL INFORMATION

Population	207,331*
GNI Per Capita	\$1,600*
Location	Oceania, group of islands in the South Pacific
Total Compact Amount	\$65.69 Million
Compact Duration	5 Years

## COMPACT GOAL

The proposed five-year Compact addresses the country's poor transportation infrastructure. Consisting of up to eleven infrastructure projects—including roads, wharfs, an airstrip and warehouses—the program aims to benefit poor, rural agricultural producers and providers of tourist related goods and services by reducing transportation costs and improving the reliability of access to transportation services.

## EXPECTED RESULTS

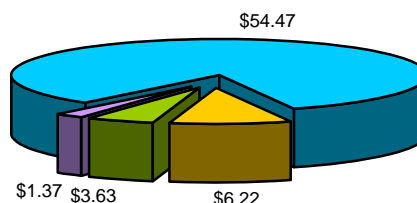
The MCC program is expected to have a transformative impact on Vanuatu's economic development by increasing average income per capita by 15% within 5 years and directly impacting the lives of more than 65,000 poor, rural inhabitants. The Compact also includes institutional strengthening efforts and policy reform initiatives in Vanuatu's Public Works Department, namely: provision of plant and equipment for maintenance; introduction of service performance contracts; establishment of local community maintenance schemes; and introduction of user fees. These efforts aim to ensure the sustainable operation and maintenance of Vanuatu's entire transport infrastructure network, not only those assets built or rehabilitated with MCC funds.

## COMPACT PROCESS

COMPACT PROCESS	DATE
Eligibility Notification	<input checked="" type="checkbox"/> May 6, 2004
Proposal Receipt	<input checked="" type="checkbox"/> March 31, 2005
Opportunity Memo	<input checked="" type="checkbox"/> May 25, 2005
Congressional Notification on Compact Negotiations	<input checked="" type="checkbox"/> July 22, 2005
Investment Memo	<input checked="" type="checkbox"/> November 3, 2005
Board Approval	<input checked="" type="checkbox"/> January 3, 2006
Compact Signing	<input checked="" type="checkbox"/> March 2, 2006
Entry into Force	<input checked="" type="checkbox"/> April 28, 2006
Initial Disbursement	<input checked="" type="checkbox"/> June 15, 2006

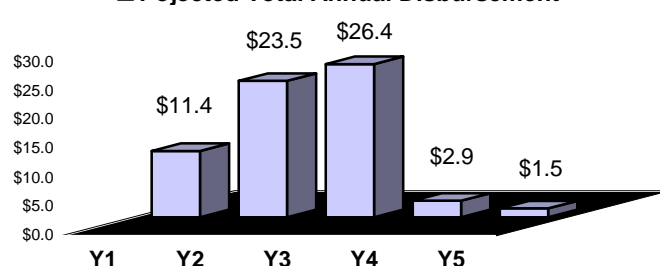
## OBLIGATIONS BY KEY SECTORS (IN MILLIONS)

- Transportation Infrastructure Upgrading
- Institutional Strengthening
- Program Management & Administration
- Monitoring and Evaluation



## VANUATU DISBURSEMENT SCHEDULE (IN MILLIONS)

### ■ Projected Total Annual Disbursement



## UPDATE ON PROGRESS

- The MCC signed a five-year, \$65.69 million Compact with the Government of Vanuatu on March 2, 2006, which entered into force on April 28, 2006.
- The initial disbursement of funds under the Vanuatu Compact was achieved on June 15, 2006.